



NEWS

For Immediate Release
July 08, 2005

Contact: Debbie Pickford
dpica@allstate.com
(703) 218-0163

Allstate Announces Greater Auto Rate Savings for West Virginia Consumers, Statewide Reductions Will Amount to \$4.9 Million

Increased rate reduction signals move to solidify competitive position within the state

Fairfax, Virginia, July 08, 2005—Allstate Insurance Company today said it was offering even greater savings to West Virginia consumers by increasing its previously announced average auto rate decrease, from 4.2 percent to 8.2 percent, which will represent a total statewide reduction of \$4.9 million dollars.

Subject to final approval by the West Virginia Department of Insurance, the rate reductions are expected to be in place for new policies issued, and renewals processed, on or after July 25, 2005. Today's announced larger auto rate reduction is part of a financial incentive and new product package for West Virginians announced by the company last April.

Allstate has worked closely with the West Virginia Department of Insurance over the last few months to determine an equitable rate reduction for West Virginia drivers as a result of the recent insurance reforms enacted by the State Legislature earlier this year. The Company's decision to further reduce rates was based upon an updated analysis of market trends and the desire to position the Company for broad-based growth.

"Customer loyalty and satisfaction is Allstate's number one priority and we want to be as responsive as possible to our policyholders," said T.J. Nicholson, Assistant Field Vice President, Allstate Capital Region.. "Our goal is to return real premium savings to our customers while increasing our market share by writing more new policies. By reducing our rates, it strengthens our competitive position in the West Virginia market."

In late April, Allstate announced a new financial incentive package to West Virginians in the form of reduced rates, expanded product lines, and a wider variety of coverage options in the state. The incentives were made possible by the recently enacted

legislative reforms that prohibit third party bad faith lawsuits and permit homeowner insurers to re-underwrite their book of business.

At that time, Allstate also announced that it would forego any homeowners insurance rate increases for one year, until at least July 2006.

In addition to today's new auto rate reduction, West Virginians can look forward to a wider range of Allstate coverage options. They include a new and innovative auto policy slated to be introduced early next year, and new coverage for identity theft as an endorsement to the homeowner policy. Allstate also expects to roll out a newly designed homeowner policy in 2006 that will feature expanded pricing and coverage options.

The Allstate Corporation (NYSE: ALL) is the nation's largest publicly held personal lines insurer. Widely known through the "You're In Good Hands With Allstate®" slogan, Allstate helps individuals in more than 16 million households protect what they have today and better prepare for tomorrow through more than 12,900 exclusive agencies and financial specialists in the U.S. and Canada. Customers can access Allstate products and services through Allstate agencies, or in select states at allstate.com and 1-800 Allstate®. EncompassSM and Deerbrook® Insurance brand property and casualty products are sold exclusively through independent agents. Allstate Financial Group provides life insurance, annuity, retirement, banking and investment products through distribution channels that include Allstate agencies, independent agencies, worksite, financial institutions and broker-dealers.

###